

Congress of the United States

Washington, DC 20510

June 3, 2009

The Honorable Dean G. Popps
Acting Assistant Secretary for
Acquisition, Logistics, and Technology
United States Army
Office of the Assistant Secretary
103 Army Pentagon – 2E2E2
Washington, DC 20310-0103

RE: MOLLE Contract - #W911-06-D-004

Dear Secretary Popps,

We wish to bring to your attention the recent behavior of Alliant Techsystems, Inc. (ATK), an Army contractor that announced Friday, May 29, 2009, with no advance warning, that it is closing a productive Massachusetts textile plant that has been supplying the Army with important equipment for its service personnel for the past five years. ATK purchased Eagle Industries' New Bedford plant two months ago, in the middle of a production run to meet the Army's ongoing needs under its Modular Lightweight Load-Carrying Equipment (MOLLE) program, and expects the Army to exercise a fourth-year extension of the MOLLE contract despite this abrupt and unnecessary decision to close the New Bedford facility.

ATK suggests that closing the New Bedford plant was the result of exhaustive analyses undertaken since the March 31, 2009 purchase of the plant. However, Eagle Industries had no difficulties meeting its obligations to the Army or operating the plant and was working to get the current contract's fourth-year option exercised to perform the work in New Bedford. For ATK to suggest that such analyses had revealed the need to close the plant, implies that ATK was unaware what it was purchasing in the first place. It also raises questions as to whether part of ATK's motivation was a response to attempts to organize the plant's workforce – a possible violation of federal law.

It is devastating to a community when a company buys a productive plant, and subsequently terminates hundreds of hardworking, committed employees during the worst recession since the Great Depression. When a company whose business plan is dependent on substantial federal contracts behaves this way, it is particularly egregious. We are concerned that ATK purchased Eagle Industries with the undisclosed intention of closing the plant once Eagle's contracts with the Army were safely in hand, and we believe the Army procurement officials in charge of administering this contract have an obligation to thoroughly examine ATK's behavior with respect to fulfilling its obligations under the MOLLE contract.

The first issue the Army must consider is whether it is in the Army's interest to have a reduction in the number of facilities that can meet the clothing and equipment needs of our service personnel. The domestic apparel industrial base is already shallow. Because the law requires that military apparel be manufactured in the United States, it seems to us that it is in the Army's best interest to monitor carefully each time an operational domestic production facility is being dismantled.

Secondly, we must also question how ATK can assert that there will be no disruption in the servicing the MOLLE contract. Certainly, the Army cannot, in reviewing whether to exercise a fourth year of this contract, simply accept the assessment of ATK that the company will have no problem fulfilling the contract's terms despite the relocation of millions of dollars of production and equipment and hundreds of jobs. ATK's estimates and assurances alone are not sufficient because this is a company that was either unable to forecast the need to shut down a productive facility it purchased two months ago, or it is one that would not disclose its intentions when it was attempting to secure millions of dollars worth of federal contracts.

Finally, we should ask if this is the kind of behavior we are willing to accept from companies that have been entrusted with public funds to provide for the safety of our troops. ATK did not announce it was closing the New Bedford plant to save the U.S. taxpayers money or to get the Army a better deal. No, it was done for the sole purpose of helping ATK obtain higher profit margins out of an existing federal contract. What ATK determined was in its corporate interest certainly wasn't in its workers interests, and cannot simply be assumed to be in the U.S. Army's interests.

Some have become almost numb to brutal corporate practices, and we see many sad stories every single day. Yet we can be justifiably indignant and even surprised when a company assumes it can take taxpayer money, devastate the lives of hundreds in a community, create uncertainty with regard to its ability to deliver on a contract needed to support our troops, and simply assume that future federal contract revenue will continue unabated and without examination for the foreseeable future.

If the Army were satisfied with the manner in which the MOLLE contract was being fulfilled at the New Bedford plant, it seems to us that the Army should insist that any contract extension should be contingent on a continuity of operations, i.e., the Army should require ATK to fulfill the contract as it had been in New Bedford prior to ATK's unprompted decision to simply rearrange production to meet corporate profit goals. That is the only way for the Army to be certain ATK meets the Army's needs under the existing contract. To require any less, would be to inject unnecessary risk and uncertainty into a contract needed to supply our troops with important equipment for no purpose greater than ATK's narrow corporate interests.

Thank you for your consideration of our views on this extremely important and time-sensitive matter. We look forward to your reply.

Sincerely,






